BUDGET RESOLUTION/Middle-Class Tax Cut Point of Order

SUBJECT:

Senate Concurrent Budget Resolution for fiscal years 1996-2002...S. Con. Res. 13. Exon motion to waive the Budget Act for the consideration of the Boxer amendment No. 1134.

ACTION: MOTION REJECTED, 46-54

SYNOPSIS: As reported, S. Con. Res. 13, the fiscal year 1996 Concurrent Budget Resolution, will reduce projected spending over 7 years to balance the budget by fiscal year (FY) 2002 without increasing taxes. Savings that will accrue from lower debt service payments (an estimated \$170 billion) will be dedicated to a reserve fund, which may be used for tax reductions after enactment of laws to ensure a balanced budget. Highlights include the following: the rate of growth in Medicare will be slowed to 7.1 percent; Medicaid's rate of growth will be slowed to 5 percent and it will be transformed into a block grant program; the Commerce Department and more than 100 other Federal programs, agencies, and commissions will be eliminated; welfare and housing programs will be reformed; agriculture, energy, and transportation subsidies will be cut; foreign aid will be cut; defense spending will be cut and then allowed to increase back to its 1995 level; and Social Security will not be altered.

The Boxer amendment would create a point of order in the Senate against considering any bill, resolution, amendment, motion, or conference report that contains a reduction in revenues unless at least 90 percent of the benefits of that reduction go to working families with annual incomes of less than \$100,000. The point of order could be waived by a three-fifths majority vote of Members duly chosen and sworn, and would expire at the end of the 104th Congress.

Senator Domenici raised the point of order that the amendment violated the Budget Act. Senator Exon then moved to waive the Budget Act for the consideration of the Boxer amendment. Generally, those favoring the motion to waive favored the amendment; those opposing the motion to waive opposed the amendment.

NOTE: A three-fifths majority (60) vote of the Senate is required to waive the Budget Act.

Those favoring the motion to waive contended:

(See other side)

YEAS (46)			NAYS (54)			NOT VOTING (0)	
Republicans	Democrats (45 or 98%)		Republicans (53 or 98%)		Democrats (1 or 2%)	Republicans Democrats	
(1 or 2%)						(0)	(0)
Snowe	Akaka Baucus Biden Bingaman Boxer Bradley Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feingold Feinstein Ford Glenn Graham Harkin Heflin	Hollings Inouye Johnston Kennedy Kerrey Kerry Kohl Lautenberg Leahy Levin Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Rockefeller Sarbanes Simon Wellstone	Abraham Ashcroft Bennett Bond Brown Burns Campbell Chafee Coats Cochran Cohen Coverdell Craig D'Amato DeWine Dole Domenici Faircloth Frist Gorton Gramm Grams Grassley Gregg Hatch Hatfield	Helms Hutchison Inhofe Jeffords Kassebaum Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Packwood Pressler Roth Santorum Shelby Simpson Smith Specter Stevens Thomas Thompson Thurmond Warner	Lieberman	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent inced Yea inced Nay Yea

VOTE NO. 187 MAY 24, 1995

The winners in this Republican budget are wealthy Americans. Their taxes are not going up, and all of the tricky little loopholes that let them avoid paying taxes that they have managed to get enacted into law over the years will be left intact. Republicans are even opposed to closing the Benedict Arnold Tax loophole, which lets billionaires escape taxes by renouncing their citizenship (NOTE: Republicans consistently voted against closing the loophole as a means of increasing revenue for greater spending, but they voted in favor of closing it to pay for a commensurate reduction in the Social Security earnings test tax on elderly working Americans; see vote No. 202). The losers are average and needy Americans. College students will have to pay more for their means-tested loans; working families trying to get off of welfare will lose earned income tax benefits; Medicaid and Medicare recipients will see funding for those programs cut. Making matters worse, we are told that this heartless budget will result in a \$170 billion surplus that our Republican colleagues seem to be intent on using for tax cuts. What makes this possibility so bad is the probability that Republicans will cut taxes for those rich people who are not sharing in the pain of balancing this budget instead of for those average Americans who are being called on to sacrifice. Accordingly, we have offered the Boxer amendment, which would establish a three-fifths majority point of order against letting rich people get more than 10 percent of the benefits from any tax cut Members pass this Congress. Republicans voted for a similar proposal when this resolution was considered by the Budget Committee; we hope they will repeat that performance by voting to waive the Budget Act now for the consideration of the Boxer amendment.

Those opposing the motion to waive contended:

Our delightful Democratic colleagues are so concerned about middle-class Americans that they want to make sure that taxes on rich people are not reduced. They are not intent on making sure that middle-class people get tax cuts; they have already voted in favor of Democratic amendments to spend the fiscal dividend, and we imagine that before consideration of this resolution is over they will have dreamed up numerous new ways to spend the dividend. Further, they have already lined up in opposition to the Gramm amendment that would have guaranteed tax cuts for middle-class Americans, including by increasing the dependent child tax credit, and we are sadly confident that they will vociferously oppose any future Republican middle-class tax cut amendments that may be offered. Our point is that our colleagues do not consistently favor the middle-class--they only do so when the result is to make it more difficult to cut taxes or cut Government spending. They will not support any proposal that does not increase spending, especially for welfare recipients, that does not increase taxes on rich people, or that combines both by taxing rich people to give the money to welfare recipients. Though their redistributionist inclinations may play well in some quarters, they do not sit well with us. If our colleagues wish to come forward with a three-fifths majority point of order against raising taxes on average Americans, we will enthusiastically second their efforts. This point of order, though, is not supportable, so we will not vote in favor of the motion to waive.